2016 was a very successful year for the Foundation. We played an integral role in responding to the July 2016 flood in Ellicott City, we have continued to support the nonprofit sector in Howard County and we have worked with our donors to help them achieve their philanthropic goals.

As part of our ongoing efforts to effectively manage the Foundation’s resources we have undertaken an extensive analysis of our administrative fee structure. After comparing our fees with those of similar community foundations we have determined that the amounts of our fees are in sync and no increases are necessary. After extensive conversation with members of our Finance Committee we have determined that the timing methodology for fee payments is in need of adjustment and that quarterly fee assessment will be implemented in lieu of annual in arrears.

The billing of fees under this new quarterly schedule will be as follows:

![Billing Frequency: Implementation](image)

- Accounts will be billed quarterly in the month following the end of each quarter, based on the monthly average of assets in the fund.
- For new accounts the billing will be for the portion of the first quarter that the account is open.
- For accounts that are closing, billing will be for the portion of the last quarter that the account closes.

Accordingly, the final annual billing for the year ended December 31, 2016 will be made in January 2017. The first quarterly billing will be in April 2017 for the quarter ending March 31, 2017. Again, the fee rates will not increase at this time.

Please don't hesitate to give me a call if you have any questions about this adjustment to our fee billing schedule.